GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:3608
ANSWERED ON:18.04.2005
REVIVAL PACKAGE FOR SUGAR INDUSTRY
Deo Shri Bikram Keshari

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government has announced a package for the Sugar Industry in the Budget of 2005-06;

(b) if so, whether there is any proposal to rehabilitate and revive sick sugar mills in the private sector referred to the Board of Industrial and Financial Reconstruction (BIFR);

(c) if so, whether the Government proposes to revive the sugar mill in Kalahandi district under the said scheme; and

(d) if so, by when it is likely to be revived ?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a): Yes, Sir.

(b): It is the responsibility of the entrepreneur to take steps to reopen/revive sick sugar mills. The sick sugar mills belonging to private sector are covered under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). Such sugar mills are required to make a reference to the Board for Industrial & Financial Reconstruction (BIFR) whenever their accumulated losses become equal to or more than the net-worth. If the rehabilitation schemes sanctioned by BIFR provide for any relief/concession from this Ministry, the same is considered as per the existing guidelines. A potentially viable sick sugar mill is also eligible for a loan from the Sugar Development Fund (SDF) for modernization or rehabilitation of plant and machinery or for sugarcane development, as per SDF Rules.

(c) & (d): The BIFR vide its order dated 10-2-2003 has only recommended winding up of the sugar mill in Kalahandi District, viz. M/s. Western Orissa Sugar Ltd. No rehabilitation has been sanctioned by BIFR for this mill.